

Academic review of Regents' universities delayed

By MacKenzie Elmer, melmer@dmreg.com 12:39 a.m. CDT August 21, 2014

A review of academic programs at Iowa's three public universities has once again been delayed, and as a result the consulting firm hired to do that work will be replaced, state Board of Regents officials said.

Jeneane Beck, a regents spokeswoman, said Wednesday that the board this month agreed to slow down parts of a cost-cutting study of the University of Northern Iowa, Iowa State University and the University of Iowa. The move created a "scheduling conflict" for KH Consulting, which was reviewing academic programs.

"It's our understanding this will be delayed temporarily," Beck said.

Deloitte Consulting, a New York-based company hired to conduct the larger review, is searching for another firm to do the academic review. Beck said the regents haven't been informed about a new timeline or how long it will take to find a replacement firm.

A contract between the regents, Deloitte and KH Consulting shows a \$1.9 million agreement to continue with phase two of the three-phase project, which would have been completed in December.

Regent Larry McKibben, efficiency review committee chairman, said the decision to replace KH Consulting was made about a week ago by Deloitte Consulting. KH Consulting had completed phase one of the study, collecting massive amounts of data on academic programs.

"I don't micromanage who Deloitte brings in," McKibben said. "It was at their recommendation."

The regents began working with Deloitte Consulting earlier this year to examine how the institutions could maximize resources, improve efficiency and reduce costs. Deloitte Consulting has estimated that the regents' institutions could save \$30 million to \$80 million annually through the implementation of several measures.

Originally, Deloitte Consulting was to be paid \$2.45 million for the first two phases of the cost-cutting review. The regents in June revised the phase-two contract, agreeing to pay the firm an additional \$867,955.

About \$350,055 of that additional cost was slated for three KH consultants to complete more than 1,100 hours of work between June 9 and Dec. 12, according to a regents document. It's unclear how much of that has been paid to KH Consulting.

KH Consulting, based in Los Angeles, was hired in January as part of Deloitte's team. The firm performed studies at Northwestern University, the University of California at Los Angeles and the University of Southern California, among others.

An Aug. 18 email to UNI faculty from Kelly Flege, the university's representative on the regents' review committee, states that a September town-hall meeting with consultants has been canceled.

"I started publicly and privately raising red flags almost immediately regarding KH. For one thing, their analytical methodology was completely suspect and it was a real concern," said Joe Gorton, a UNI professor and leader of the faculty union.

Faculty have already put a lot of time and effort into gathering data for KH Consulting's review, he said.

"So far this efficiency study, for the academic portion, seems to be remarkably inefficient," Gorton said.

A review of UI's College of Liberal Arts was expected to begin in September. It's not known whether that review will move forward.